



# SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Adjudication Division  
Adjudication Department-II

**BEFORE HEAD OF DEPARTMENT**

**IN THE MATTER OF**

**M/S. MSHOPPING WORLD (SMC-PRIVATE) LIMITED**

Show Cause Notice	No. Adj-II/304/77/IAN-2023-2024-1202 dated December 8, 2023	
Date on which hearing opportunity provided	Date	Attended by
	December 22, 2023	No one attended the hearing
	February 26, 2024	No one attended the hearing
	March 18, 2024	No one attended the hearing

**SANCTION FOR FILING OF WINDING-UP PETITION UNDER CLAUSE (b) OF PROVISO TO SECTION 304 READ WITH SECTION 301 OF THE COMPANIES ACT, 2017**

The Securities and Exchange Commission of Pakistan (the '**Commission**') issued show cause notice No. Adj-II/304/77/IAN-2023-2024-1202 dated December 8, 2023 ('**SCN**') to M/s **Mshopping World (SMC-Private) Limited** (the '**Company**') having registered office at House No. 4/27 C, Street 6, Block A, Al Faisal Town, Ghazi Road, Lahore Cantonment, Lahore, and its director (collectively referred as the '**Respondents**') under clause (b) of proviso to section 304 read with section 301 of the Companies Act, 2017 (the '**Act**') for carrying on unlawful/prohibited business of inviting and accepting unauthorized deposits from the public, *prima facie*, in violation of sections 84(1) and 26(2) of the Act.

2. The Company was registered with the Commission on May 05, 2021, as a single-member company with a paid-up capital of Rs 100,000 divided into 1,000 shares of Rs.100 each. Mr. Waseem Akram is the single member/director/chief executive officer of the Company.

3. The principal line of business of the Company as mentioned in clause 3(i) of the memorandum of association ('**MoA**') is as under:

*The Principle line of business of the company shall be to carry on the business of online shopping of consumer goods and other goods, internet advertising and marketing, creating virtual malls, stores, shops, shopping catalogs, provide ecommerce services and e-commerce solutions in all or any one of the following mode i.e. business to business (b2b), business to consumers (b2c), business to government (b2g), government to business (g2b), legally permissible under the Law and to deliver the same to its customers in and outside Pakistan and to comply with the National e-Commerce Policy including but not limited to Code of Conduct, Complaint handling procedure of Customers and guide lines issued thereunder from time to time.*

4. In terms of clause 3 (iii) of MoA, the Respondents are restricted from indulging in banking, non-banking finance, stock brokerage business, etc.:



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*Notwithstanding anything contained in the foregoing sub-clauses of this clause nothing contained herein shall be construed as empowering the Company to undertake or indulge, directly or indirectly in the business of a Banking Company, Non-banking Finance Company (Mutual Fund, Leasing, Investment Company, Investment Advisor, Real Estate Investment Trust management company, Housing Finance Company, Venture Capital Company, Discounting Services, Microfinance or Microcredit business), Insurance Business, Modaraba management company, Stock Brokerage business, forex, real estate business, managing agency, business of providing the services of security guards or any other business restricted under any law for the time being in force or as may be specified by the Commission.*

5. Further, the Respondents in clause 3(iv) of MoA of the Company have undertaken not to engage in the following businesses:

- a) *engage in any business in sub clause (iii) or any unlawful operation*
- b) *launch multilevel marketing (MLM), Pyramid and Ponzi schemes, or other related activities/business or any lottery business.*
- c) *engage in any permissible business unless the requisite approval, permission, consent a license is obtained as may be required under any law for time being in force.'*

6. The Commission received two (2) complaints through Prime Minister's Performance Delivery Unit ('PMDU') from the public alleging that the Respondents were engaged in the prohibited and unlawful business of inviting and accepting unauthorized deposits from the public in US Dollars on the pretext of providing lucrative profit, *prima facie*, in violation of sections 84(1) and 26(2) of the Act read with clause 3 of the MoA of the Company.

7. In order to ascertain the genuineness of the complaints, the Commission vide order dated December 10, 2021 investigated into the affairs of the Company under section 257 of the Act. The Investigation Team in the Investigation Report dated September 20, 2022 concluded that the Respondents were engaged in the prohibited and unlawful business of inviting and accepting unauthorized deposits in US Dollars from the public on the pretext of providing lucrative profits, *prima facie*, in violation of sections 84(1) and 26(2) of the Act read with clause 3 of the MOA of the Company.

8. Considering the foregoing, the Commission issued show cause notice dated December 16, 2022 to the Respondents for alleged violation of section 26(2) and 84(1) of the Act. The said proceedings were concluded vide orders dated May 12, 2023, whereby aggregate penalty of Rs. 102 million was imposed on the Respondents. Further the director of the Company was also disqualified to become director/chief executive of any company for five years.

9. In view of the above, the Registrar of the concerned Company Registration Office sought sanction of the Commission to present a petition for winding up of the Company under clause (b) of proviso to section 304 read with sub-clause (i) and (ii) of clause (g) of section 301 of the Act on the grounds that the Respondents were *prima facie* engaged in unlawful and prohibited business of inviting unauthorized deposits from the public, *prima facie*, in violation of sections 84 (1) and 26(2) of the Act.



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10. Accordingly, the SCN was issued to the Respondents calling upon them to furnish submissions in writing to explain within ten (10) days of the date of the SCN, as to why sanction of the Commission to present a petition for winding up of **M/s Mshopping World (SMC-Private) Limited** as required by the concerned Registrar may not be granted. Further, the Respondents were advised to inform if they wanted to avail an opportunity of being heard in person or through authorized representative(s).

11. The Respondents neither furnished any written response to the SCN nor submitted any request for availing opportunity of being heard. The Respondents were again advised vide reminders dated January 19, 2024 and March 8, 2024 to submit written response to the SCN. Three hearing opportunities were provided to the Respondents on December 22, 2023, February, 26, 2024 and March 19, 2023. The Respondents neither submitted any written reply to the SCN till date nor attended the hearings as scheduled above. The SCN and reminders were sent at registered address of the Company and available residential address of director of the Company. The SCN and reminder/hearing notices dated February 9, 2024 were returned as undelivered. Further, the reminders/hearing notices along with copy of the SCN were also delivered at emails [waseemakram315@gmail.com](mailto:waseemakram315@gmail.com) and [amirmakram718@gmail.com](mailto:amirmakram718@gmail.com).

12. With regard to service of SCN and reminders, section 53 of the Act provides “*a document or information may be served on the company or any of its officers at the registered office of the company against an acknowledgement or by post or courier service or through electronic means or in any other manner as may be specified.*”

13. It is evident from the foregoing that the Respondents were provided multiple opportunities to explain their position in writing. The Respondents opted not to explain/defend their position despite service/delivery of SCN and reminders. Accordingly, the proceedings are being concluded, considering the material available on record.

14. It was alleged in the instant SCNs that the Respondents were inviting and accepting unauthorized deposits from public, *prima facie*, in violation of section 26(2) and section 84(1) of the Act and its MoA. Before analyzing the allegations, it seems appropriate to discuss the relevant provisions of law on the subject-matter and reproduced hereunder: -

- (i) In terms of section 84 of the Act, all companies, excluding banking companies and such other companies or class of companies as the Commission may notify in this behalf, are prohibited from inviting, accepting or renewing deposits from the public. Further, the term deposit has also been defined in section 84 of the Act as any amount accepted or borrowed by a company other than a loan raised by issue of debentures or a loan obtained from a banking company or financial institution or an advance against sale of goods or provision of services in the ordinary course of business. Section 84 of the Act is reproduced below for ease of reference:

**84. Prohibition on acceptance of deposits from public.** — (1) *On and after the commencement of this Act, no company shall invite, accept or renew deposits from the public:*

*Provided that nothing in this sub-section shall apply to a banking company and such other company or class of companies or such deposits as the Commission may, notify in this behalf.*

**Explanation.** — *For the purposes of this section, “deposit” means any deposit of money with, and includes any amount borrowed by, a company, but shall not include a loan raised by*



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*issue of debentures or a loan obtained from a banking company or financial institution or an advance against sale of goods or provision of services in the ordinary course of business.*

- (ii) In terms of section 26(2) of the Act, a company shall not engage in a business which is (a) prohibited by any law for the time being in force in Pakistan; or (b) restricted by any law, rules or regulations, unless necessary licence, registration, permission or approval has been obtained or compliance with any other condition has been made. Deposit taking by companies is not only prohibited under the Act but also under the Banking Companies Ordinance, 1962. Accordingly, any company engaged in deposit taking commits violation of section 26(2) of the Act. Section 26(2) of the Act is reproduced below for ease of reference:

**26. Business and objects of a company. — (2) A company shall not engage in a business which is—**

*(a) prohibited by any law for the time being in force in Pakistan; or*

*(b) restricted by any law, rules or regulations, unless necessary licence, registration, permission or approval has been obtained or compliance with any other condition has been made.*

- (iii) In terms of clause 3 of MoA, the Respondents have undertaken that they shall not engage in any unlawful/prohibited business activities. Inviting and accepting deposits is unlawful/prohibited in terms of sections 84(1) and 26(2) of the Act.
- (iv) The Commission received the following two complaints through PMDU wherein the complainant alleged that the Respondents were raising unauthorized deposits from general public in US Dollars on the pretext of providing lucrative profit to them, *prima facie*, in violation of sections 84(1) and 26(2) of the Act read with clause 3 of the MoA of the Company:

Name of Complainant	Date of Complaint	Nature of Complaint	Amount deposited with the Company
Mr. Muhammad Abbas Khan	September 18, 2021	Deposit taking	Not mentioned in the Complaint
Mr. Muhammad Abbas Khan	September 18, 2021	Deposit taking	-do-

- (v) In order to ascertain the genuineness of the complaints, the Commission vide order dated December 10, 2021 investigated into the affairs of the Company under section 257 of the Act.
- (vi) Pre-investigation letter dated December 16, 2021 was sent at registered address of Company, which came back as undelivered. On February 10, 2022, the Investigation Team visited business office of the Company located at Shop No. 34, 1st Floor, Alvi Grand Mall, Al Faisal Town, Zarrar Shaheed Road, Lahore, as the registered address of the Company mentioned in Inc. Form II i.e. House No. 4/27 C, Street 6, Block A, Al Faisal Town, Ghazi Road, Lahore Cantonment, Lahore was not traceable. The business office of the Company was locked,



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- (vii) The Investigation Team issued notices dated February 07, 2022, February 15, 2022, and February 28 2022 to the Chief Executive/Director of the Company for recording of statement. But, he did not appear before the Investigation Team for recording of statement. The findings contained in the Investigation Report in this regard are as under:

*Call up notices dated February 07, 2022, February 15, 2022 and February 28, 2022 for statement recording were sent at the registered office address, business office address of the Company and at the residential address of Mr. Waseem Akram, Chief Executive Officer/Director (as per addresses mentioned on his CNIC), which were returned as undelivered except for notice dated February 28, 2022 which was delivered as per delivery report of TCS (Pvt) Limited. Investigation team did not receive any reply from Company or its management. A final notice dated August 17, 2022 was sent at email address of Mr. Waseem Akram i.e. [waseemakram315@gmail.com](mailto:waseemakram315@gmail.com). Further, the investigation team contacted on the WhatsApp number of Mr. Waseem Akram, and shared the final notice on his WhatsApp number: +92 309 9330009. During a short telecom, Mr. Waseem Akram informed that he is currently in UK and will be moving back to Dubai. He also informed that the CNIC address was quite an old address and all his family has been shifted to Dubai. Mr. Waseem told the investigation officer that he started the Company in Pakistan. The investigation officer, asked him to share his current location (on WhatsApp), Communication address and contact number of Dubai. However, no response has been received from him.*

- (viii) The Investigation Team noticed that complaints received through PMDU were lodged by the same person. The Investigation Team contacted the complainant at his cell number and sent him a notice dated February 21, 2022 for recording of statement; however, he did not appear for statement recording.
- (ix) As per information provided by commercial banks, the Respondents opened the following accounts for accepting deposits from the public: -

Name of bank	IBAN/ Account Number	Account Title	Amount Debit Rs.	Amount Credit Rs.
Meezan Bank Limited	PK43MEZN 00029301055 69202	Mshopping World, a sole proprietorship concern of the Chief Executive and Director of the Company	2,432,051.18	2,433,080.00
Faysal Bank Limited	30163010000 04352	-do-	19,597,797.31	19,598,120.75
Faysal Bank Limited	30163010000 04114	Waseem Akram	19,597,797.31	19,598,120.75
<b>Total</b>			<b>41,627,645.8</b>	<b>41,629,321.5</b>



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**Mshopping World**, is a sole proprietorship concern, owned by Mr. Waseem Akram, Chief Executive/Director of the **Mshopping World (SMC-Private) Limited**. Deposits from the public amounting to Rs **41.629** million were received in the aforementioned bank accounts. Being the sole signatory to the accounts, Mr. Waseem Akram, Chief Executive/Director of the Company withdrew Rs **41.627** million from the bank accounts. He was beneficiary of the funds raised from the general public through illegal deposit taking.

- (x) The investigation team also visited website of the Company <https://mshoppingworldmall.com/> and observed that the website *inter alia* contains Company's Certificate of Incorporation, various marketing plans such as Starter, Bronze, Silver etc., the amount of investment needed to enroll in those plans along with the expected bonus percentage, tenure of investment as 18 months and withdrawal conditions. The website also displayed the payment methods and bank details for deposits i.e. Mshopping World and Waseem Akram, both maintained with Faysal Bank. Some advertisements extracted from the website of the Company are pasted below:



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### MARKETING PLANS

Shop & Win

#### STARTER PLAN

CRITERIA TO QUALIFY FOR THIS PLAN

Minimum PERSONAL INVESTMENT  
100\$ to 999\$

OR

Minimum FREELANCER INVESTMENT  
10000\$

Levels	Direct / Indirect Bonus
Sr1	6%
Sr2	3%
Sr3	2%
Sr4	1%

### Terms & Conditions

Shop & Win

- 1 - Term of the smart investment contract is 18 months.
- 2 - Subscription plan can neither be cancelled nor investment be withdrawn during the lock-in period.
- 3 - ROI profit can be withdrawal after the end of a calendar month, on monthly basis. We take 2 to 3 business days to process withdrawal requests.
- 4 - Minimum withdrawal amount is US\$50.
- 5 - An amount of 1% of the total withdrawal amount will be deducted as bank and administration charges on all withdrawal transactions.
- 6 - Same day to 3 months deduction 25% on Capital. After 6 months you can withdraw your money without any deduction. You can only deposit in the bank according to Pakistani laws and company rules to deposit and withdraw money in Pakistan.
- 7 - Any withdrawal requests will be entertained within 48hrs of working days. ROI profit withdrawal requests will be entertained from 1st to 7th dates of the month.
- 8 - It is necessary to join 2 direct members to open your levels.



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mshoppingworldmall.com



mshoppingworldmall.com/packages/index.html

Starter Plan	Bronze Plan	Silver Plan Most Popular	Gold Plan	Platinum Plan
<b>Deposit Amount</b> 100\$ to 999\$ Duration : 18 Months ROI : 7% to 12%	<b>Deposit Amount</b> 1000\$ to 1999\$ Duration : 18 Months ROI : 7% to 12%	<b>Deposit Amount</b> 2000\$ to 4999\$ Duration : 18 Months ROI : 7% to 12%	<b>Deposit Amount</b> 5000\$ to 24999\$ Duration : 18 Months ROI : 7% to 12%	<b>Deposit Amount</b> 25000\$ to 50000\$ Duration : 18 Months ROI : 7% to 12%
<a href="#">SIGN UP</a>	<a href="#">SIGN UP</a>	<a href="#">SIGN UP</a>	<a href="#">SIGN UP</a>	<a href="#">SIGN UP</a>





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mshoppingworldmall.com/terms-and-conditions/index.html

# TERMS & CONDITION

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8. It is necessary to join 2 direct members to open your levels.

mshoppingworldmall.com

## Payment Methods



## We Are Certified

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN  
 Company Registration Office  
 15/15/2018  
 INCORPORATION OF BILMUS  
 (Investment) (P) Ltd  
 15/15/2018





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# Our Bank Details

Bank Name: Faysal Bank

Account Name: MShopping World

Account Title: 3016301000004352

Bank Name: Faysal Bank

Account Name: Wasoem Akram

Account Title: 3016301000004114

## Ready to Discuss?

Specify your contact details and consulting services you're interested in. Our experts will contact you in no time.

Your Email \*

Your Phone \*

REQUEST CALLBACK

The screenshot shows a contact page for MShopping World. The browser address bar displays 'mshoppingworldmall.com/contact-us/index.html'. The page features a navigation menu with links for Home, About Us, Packages, Terms, Profile, and Contact Us. On the left, there is a 'Contact Info' section with a phone number (+44 7549 540043) and an email address (info@mshoppingworld.com). Below this is a 'Corporate Offices' section listing three locations: Dubai (American Trading Intl Securities Bldg, 840 Los Angeles CA 90054), USA; New York (801 Madison Ave, 10th Floor, New York, NY 10017); and Pakistan (Imperial Mall, Porgram Society, 5th Floor, Old No 95 Lahore Pakistan). On the right, there is a 'Contact Form' with fields for Name, Email, Phone, and Your Message, followed by a 'SUBMIT' button.

- (xi) The Investigation Team in Investigation Report dated September 20, 2022 concluded that the Respondents were engaged in the prohibited and unlawful business of inviting and accepting unauthorized deposits from the public in US Dollars on the pretext of providing lucrative profits to them, *prima facie*, in violation of sections 84(1) and 26(2) of the Act read with clause 3 of the MoA of the Company



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15. It is evident from the foregoing that the Respondents were taking undue benefit of the ignorance of the general public related to differentiation between a sole proprietor bank account, having similar name or trade name of the business of the Company, and a corporate bank account.

16. In view of the foregoing and considering (a) the complaints received from the public against the Respondents, (b) investigation findings revealing deposit taking by the Respondents along with deposit taking evidences, depriving the general public of their hard earned money amounting to at least Rs 41.629 million, (c) advertisements published on website of the Company for inviting public to deposit funds with the Company, (d) non-existence of registered office of the Company coupled with non-submission of any response, and (e) non-representation by the Respondents despite delivery of SCN and reminders, it is established that the Respondents were carrying on unlawful/prohibited business of inviting and accepting unauthorized deposits from the public in violation of sections 84(1) and 26(2) of the Act read with clause 3 of MoA of the Company.

17. Considering that the Company its Chief Executive and Directors were found engaged in illegal activity of inviting deposits from public in violation of section 84(1) and 26(2) of the Act read with clause 3 of MOA of the Company, the Company is liable to be wound up in terms of sub-clauses (i) and (ii) of clause (g) of section 301 of the Act, for carrying on unlawful activity of raising unauthorized deposits from the public. Sub-clauses (i) and (ii) of clause (g) of section 301 of the Act are reproduced below:

*301. Circumstances in which a company may be wound up by Court.- A company may be wound-up by the Court – ... ..*

*(g) if the company is-*

*(i) conceived or brought forth for, or is or has been carrying on, unlawful or fraudulent activities; or*

*(ii) carrying on business prohibited by any law for the time being in force in Pakistan; or restricted by law, rules or regulations for the time being in force in Pakistan; or*

*Explanation 1.- The promotion or the carrying on of any scheme or business, howsoever described-*

*(a) ....*

*(b) raising unauthorized deposits from the public, indulging in referral marketing, multi-level marketing (MLM), Pyramid and Ponzi Schemes, locally or internationally, directly or indirectly; or*

*(c) ... ;  
shall be deemed to be an unlawful activity.*

18. Accordingly, in exercise of the powers under clause (b) of proviso to section 304 read with sub-clauses (i) and (ii) of section 301(g) of the Act delegated to the undersigned vide S.R.O 1546 (I) / 2019, sanction is hereby granted to Incharge, Company Registration Office, Lahore to present a petition for winding up of M/s **Mshopping World (SMC-Private) Limited** before the concerned High Court. The said clause (b) of proviso to Section 304 of the Act is reproduced hereunder, for ease of reference:



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*'304. Provisions as to applications for winding up. An application to the Court for the winding up of a company shall be by petition presented, subject to the provisions of this section, either by the company, or by any creditor or creditors (including any contingent or prospective creditor or creditors), or by any contributory or contributories, or by all or any of the aforesaid parties, together or separately or by the registrar, or by the Commission or by a person authorized by the Commission in that behalf:*

*Provided that –*

*(a) ... ..*

*(b) the registrar shall not be entitled to present a petition for the winding up of a company unless the previous sanction of the Commission has been obtained to the presentation of the petition: Provided that no such sanction shall be given unless the company has first been afforded an opportunity of making a representation and of being heard;*

19. This Sanction is being issued without prejudice to any other proceedings or action that the Commission or National Accountability Bureau or Federal Investigation Agency or any other authority, bureau, agency or institution may initiate, in accordance with relevant provisions of law, against the Respondents and any other officer of the Company in respect of unlawful/illegal deposit taking activities undertaken by them.

**(Muhammad Farooq)**  
Head of Department/  
Additional director  
Adjudication II Department

Date of Sanction: March 22, 2024